

SCOPE AI to Acquire Advanced Quantum Security Technology to Fortify Data Protection

VANCOUVER, BC, July 9, 2024 /CNW/ -- **Scope AI Corp.** (CSE: SCPE) (OTCQB: SPCPF) (FSE: VN8) ("**Scope**" or the "**Company**") is pleased to announce that it has entered into technology agreement dated July 9, 2024 (the "**Technology Agreement**") with Ovryde Ltd. ("**Ovryde**") whereby Ovryde has agreed to transfer its ownership and rights relating to delivery and application of quantum resilient entropy (the "**QSE Technology**"). Quantum resilient entropy is an advanced security measure designed to protect data against the future threats posed by quantum computing, ensuring that sensitive information remains secure in an increasingly digital world.

Key Benefits of the Acquisition:

- **Enhanced Cyber-Security Product Suite:**
 - **Immediate Expansion:** This acquisition broadens Scope AI's cybersecurity offerings by integrating Ovryde's advanced quantum security technologies, providing more comprehensive solutions for clients.
 - **Addressing New Threats:** With the QSE Technology, Scope AI can tackle emerging quantum-computing threats, ensuring robust protection for sensitive data in transit and at rest.
- **Efficient Synergies and New Revenue Streams:**
 - **Faster Deployment:** The integration of QSE Technology creates synergies that enable faster and more efficient deployment of solutions.
 - **New Revenue Opportunities:** This opens new revenue streams by catering to industries with stringent data security needs, such as finance, healthcare, and government sectors.
- **Regulatory Compliance and Future-Readiness:**
 - **Meeting Regulations:** Helps clients comply with new and evolving regulatory standards for quantum-resistant encryption and data protection.
 - **Future-Proof Solutions:** Prepares businesses for future quantum-computing advancements with robust and scalable security solutions.
- **Market Leadership and Innovation:**
 - **Leading the Market:** Positions Scope AI as a leader in quantum-resilient security solutions, setting it apart from competitors.
 - **Sustainable Growth:** Provides a foundation for sustainable growth by continuously adapting to technological advancements in cybersecurity.

James Young, CEO of Scope AI Corp., stated, "*We are pleased to announce the acquisition of the QSE Technology. The product suite is established, complete, and ready to onboard customers now. This acquisition enables us to provide our customers with extremely robust security solutions that are easy to integrate into existing infrastructures. With the QSE Technology, we can address the emerging threats posed by quantum computing and ensure our clients are prepared for the future of digital security.*"

About the QSE Technology

The QSE Technology product suite offers API-based quantum-resilient entropy as a service and encrypted cloud, on-premise, and decentralized storage solutions. At its core, the platform provides a proprietary high-performance data-pipeline that can scale vertically and horizontally to protect private, business, and government applications with highly sensitive data in transit and at rest. The QSE Technology product suite uniquely protects digital assets against current and future cyber security threats and quantum-computing decryption attacks.

Terms of Transaction

Under the terms of the Technology Agreement, Scope will acquire Ovryde's ownership and rights relating to the QSE Technology. In consideration of the QSE Technology, Scope has agreed to pay to Ovryde \$400,000 and issue to Ovryde 2,800,000 common shares of the Company (the "**Consideration Shares**") on closing of the transaction.

The Consideration Shares will be restricted for a period of four months from the date of issue and be subject to the following voluntary restrictions on resale: (i) 560,000 Consideration Shares will be subject to no additional restrictions, (ii) 560,000 Consideration Shares will be subject to restrictions on resale for a period of three (3) months from the date of issue, (iii) 560,000 Consideration Shares will be subject to restrictions on resale for a period of six (6) months from the date of issue, (iv) 560,000 Consideration Shares will be subject to restrictions on resale for a period of nine (9) months from the date of issue, and (v) 560,000 Consideration Shares will be subject to restrictions on resale for a period of twelve (12) months from the date of issue.

The transaction is subject to customary closing conditions and acceptance of the Canadian Securities Exchange.

Private Placement Financing

The Company is also pleased to announce a private placement financing of 1,250,000 common shares at a price of \$1.60 per share for gross proceeds of \$2,000,000 (the "**Offering**").

The shares issued under the Offering will be subject to restrictions on resale for a period of four months from the date of issuance.

The proceeds of the Offering will be used to continue to develop the Company's GEM Platform and advance the QSE Technology as well as general working capital purposes.

About Scope AI Corp.:

Scope AI Corp. is a leading technology company headquartered in Vancouver, British Columbia, dedicated to advancing the field of artificial intelligence. With a focus on visual recognition and neural network technology, Scope is committed to empowering businesses and industries with innovative solutions that drive growth and innovation.

For more information please visit [Scope AI Corp.](#), info@scopetech.ai, or follow along on social media.

LinkedIn: [scope-ai-corp](#)

Facebook: Scope AI Corp

Twitter: <https://twitter.com/ScopeAICorp>

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements that constitute forward-looking information (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. All statements in this news release that are not purely historical statements of fact are forward-looking statements and include statements regarding beliefs, plans, expectations, future, strategy, objectives, goals and targets, and more specifically, the use of proceeds of the Offering. Although the Company believes that such statements are reasonable and reflect expectations of future developments and other factors which management believes to be reasonable and relevant, the Company can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: "believes", "expects", "aim", "anticipates", "intends", "estimates", "plans", "may", "should", "would", "will", "potential", "scheduled" or variations of such words and phrases and similar expressions, which, by their nature, refer to future events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements involve known and unknown risks and are based on assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, including, but not limited to, those risks and assumptions described in the Company's prospectus dated August 10, 2022, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. While Scope considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this press release. In addition, forward-looking statements necessarily involve known and unknown risks, including, without limitation, risks associated with general economic conditions, continued satisfaction of Canadian Securities Exchange requirements, product safety and recalls, regulatory compliance and risks associated with the Company's business. For more information on the risks, uncertainties and assumptions that could cause anticipated opportunities and actual results to differ materially, please refer to the risk factors set out in the Company's prospectus dated August 10, 2022, a copy of which is available under the Company's profile on SEDAR at www.sedar.com. Forward-looking statements are made as of the date of this news release and, unless required by applicable law, the Company assumes no obligation to update the forward looking statements or to update the reasons why actual results could differ from those projected in these forward-looking statements. All forward-looking statements are qualified in their entirety by this cautionary statement.

The Canadian Securities Exchange has in no way passed upon the merits of the business of the Company and has neither approved nor disapproved the contents of this news release and accepts no responsibility for the adequacy or accuracy hereof.

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